



2004

1065ME/1120S-ME  
MAINE INFORMATION RETURN  
FOR PARTNERSHIPS/S CORPORATIONS



Check here if your entity name or address has changed: ☐

For tax period 01/01/04 to 12/31/04 or MM / DD / 04 to MM / DD / YY Federal Employer ID Number

Name of Partnership / S Corporation		STATE OF INCORPORATION	DATE INCORPORATED
Address of Partnership / S Corporation		PRINCIPAL PLACE OF ACTIVITY IN MAINE	
City, Town or Post Office	State	ZIP Code	CITY/STATE WHERE RECORDS ARE MAINTAINED

BUSINESS CODE	TAX MATTERS PARTNER/PERSON	IDENTIFYING NUMBER OF TAX MATTERS PERSON	TELEPHONE NUMBER
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<b>TYPE OF ENTITY:</b> <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Company	<b>CHECK ANY OF THE FOLLOWING IF APPLICABLE:</b> <input type="checkbox"/> First filing of entity <input type="checkbox"/> Amended return <input type="checkbox"/> Final return
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Do not submit photocopies of this form; photocopies cannot be processed by the Maine Revenue Services scanning system. Do not use red ink.

1. Number of partners, shareholders or members who are: a. \_\_\_\_\_ Residents (of Maine) b. \_\_\_\_\_ Nonresidents c. \_\_\_\_\_ Total  
**For 100 or fewer partners/shareholders - complete Schedule PSI for all partners/shareholders not included in a composite return. For entities with more than 100 members - do not complete Schedule PSI.**  
**All entities, regardless of the number of partners/shareholders, are required to send federal Form 1065 or Form 1120S with this return. DO NOT SEND FEDERAL K-1s.**

2. Are you filing a composite return for nonresident partners/shareholders (MRS Rule No. 805)? Yes ☐ No ☐  
If yes, see schedule 1040C for composite filing instructions.

**THIS SECTION MUST BE COMPLETED BY ALL FILERS**

3. LOCATION OF DOING BUSINESS:

a. ☐ Business activity entirely within Maine; this includes making out-of-state sales that are not taxable in other states (complete only line 4e below and enter that amount on line 4f).

b. ☐ Business has no Maine resident partners/shareholders and business activity is entirely outside Maine, with no payroll, sales or property in Maine (STOP - do not file this return).

c. ☐ Business is engaged in interstate commerce, including doing business in Maine (complete lines 4a through 4f below).

d. ☐ Business has Maine resident partners/shareholders and business activity is entirely outside Maine, with no payroll, property or sales in Maine (except as affected by P.L. 86-272) (complete line 4e below). **If entity has 100 or fewer members, complete Schedule PSI for Maine residents only.**

e. ☐ Check here if the taxpayer is a mutual fund service provider electing to use the special apportionment formula under 36 MRSA § 5212(2) (complete lines 4a, 4d, 4e and 4f; on line 4a, change the weighting factor from .50 to 1.00).

(A) Totals within Maine	(B) Totals within and without Maine	(C) Maine factors: Col. A/Col. B x statutory weighting rounded to 6 decimals
4. a. Total SALES net of returns and allowances		
b. Total PAYROLL		
c. Total PROPERTY		
d. MAINE APPORTIONMENT FACTOR (total of Column C)	4d.	
e. Enter ENTITY INCOME OR LOSS (see instructions)	4e.	
f. TOTAL MAINE INCOME OR LOSS (line 4d multiplied by line 4e)	4f.	

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements and to the best of my knowledge and belief they are true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Officer's signature

Title

Date

Preparer's signature

Date

File return with:  
Maine Revenue Services, PO Box 9117, Augusta, ME 04332-9117

Office use only

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PSI

# FORM 1065ME/1120S-ME INSTRUCTIONS

**WHO MUST FILE.** Partnerships and S corporations filing federal Forms 1065 or 1120S that do business in Maine or that have resident partners or shareholders must file. S corporations that have federal taxable income must also file Form 1120ME. Financial institutions organized as partnerships or S corporations should not file this form – see instructions for Form 1120B-ME. Forms are available at: [www.maine.gov/revenue](http://www.maine.gov/revenue) (select Forms/Publications) or by calling 207-624-7894.

**LIMITED LIABILITY COMPANY.** A domestic limited liability company or a foreign limited liability company doing business in Maine is classified as a partnership for Maine income tax purposes unless classified otherwise for federal income tax purposes, in which case the limited liability company is classified in the same manner for Maine income tax as for federal income tax.

**WHEN TO FILE.** S corporations must file Form 1065ME/1120S-ME by the 15th day of the 3rd month following the close of the taxable year. Partnerships must file Form 1065ME/1120S-ME by the 15th day of the 4th month following the close of the taxable year.

**EXTENSION FOR FILING.** A State of Maine extension request form is not required. If you are unable to file your return by the original due date of the return, Maine allows an automatic seven-month extension of time to file an S corporation return and six months to file a partnership return.

**WHERE TO FILE.** Mail the completed form with copies of federal Form 1065 or Form 1120S to Maine Revenue Services, P.O. Box 9117, Augusta, ME 04332-9117.

## SPECIFIC INSTRUCTIONS

- If other than a calendar year, enter beginning and ending dates for the tax year covered by the return.
- Indicate the business name and mailing address, including the name of the entity officer or tax matters partner to whom correspondence should be addressed. Enter telephone number.
- Enter the EIN used on federal Form 1065 or Form 1120S. Enter all requested demographic information.
- Check the appropriate business type and attach the corresponding federal form to Form 1065ME/1120S-ME. **(Do not send federal K-1s).**
- Indicate if name or address has changed.
- Indicate if an amended, first or final return.

### LINE 1.

- (a) Indicate number of partners/shareholders who are residents of Maine.
- (b) Indicate number of partners/shareholders who are nonresidents of Maine.
- (c) Indicate total number of partners/shareholders.

**For entities with 100 or fewer partners/shareholders, complete Schedule PSI for all partners/shareholders, but do not include those participating in a composite return. For entities with more than 100 partners/shareholders, do not complete Schedule PSI. For entities with 100 or fewer partners/shareholders that check line 3d, complete Schedule PSI for Maine residents only.**

The number of partners/shareholders included on Schedule PSI should equal the difference of Line 1c and Line 2a, except in the case of entities that check line 3d or have more than 100 members.

**LINE 2. Composite filing under MRS Rule 805 for partners/shareholders not residents of Maine.** A composite return is filed by a

partnership or S corporation for its nonresident partners/shareholders electing to participate and whose only Maine income is from the entity (see 36 M.R.S.A. § 5192(5)). Indicate “Yes” if filing a composite return for any nonresident partner/shareholder. See [www.maine.gov/revenue](http://www.maine.gov/revenue) (select Laws and Rules) for composite filing information.

(a) If answer to Line 2 is yes, indicate the number of nonresident partners/shareholders included in the composite filing.

**LINES 3a-3d.** Indicate location of partnership or S corporation business activity. If line 3a is checked, complete lines 4e and 4f. If line 3b is checked, you do not have to file this return. If line 3c is checked, complete lines 4a through 4f. If line 3d is checked, complete line 4e and Schedule PSI for Maine residents only.

**LINE 3e.** Mutual Fund Service Providers may elect to apportion income to Maine using a sales-only formula. Check the space if you qualify and are making this election. The election is irrevocable for five years. If line 3e is checked, complete lines 4a, 4d, 4e and 4f. On line 4a, change the weighting factor to 1.00. Taxpayers electing the special apportionment may not be included in Form CR (Maine Corporate Income Tax Combined Report for Unitary Members).

**LINE 4. Apportionment of Income Schedule.** This schedule is for entities engaged in interstate business. Maine employs a three-factor formula to determine the percentage of business income that is apportioned to Maine. This percentage is derived from a fraction, the numerator of which is the property factor plus the payroll factor plus twice the sales factor, and the denominator of which is 4. If the apportionment provisions do not fairly represent the extent of the taxpayer’s business activity in Maine, the taxpayer may petition for, or the State Tax Assessor may require, an alternate method of apportionment. If one factor is excludable from the apportionment formula, the weighting of the two remaining factors must be changed. A factor is excludable only if both the numerator and denominator are zero, but is not excludable merely because the numerator is zero. When excluding the sales factor, change the weight of the payroll and property factors to 50% (0.5) each. When excluding either the payroll or property factor, change the weight of the sales factor to 66.67% (0.6667) and the weight of the remaining factor to 33.33% (0.3333). If two factors are excludable from the apportionment formula, change the weight of the remaining factor to 1.00. If you are excluding any factors, attach a schedule detailing the factors used and the apportionment computation. The total of lines 4a, 4b and 4c (from Column C) must equal the amount you enter on line 4d. See MRS Rule 801.

**Sales Factor (line a).** “Sales” means all gross receipts such as trade sales, dividends, interest, rents and royalties. The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in the state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period.

Sales of tangible personal property are attributed to Maine if: (1) the property is delivered or shipped to a purchaser other than the U.S. government, in Maine, regardless of the F.O.B. point or other conditions of the sale, or (2) the property is shipped from an office, store, warehouse, factory or other place in storage in

Maine and the purchaser is the U.S. government or the taxpayer is not taxed in the state of the purchaser.

Sales, other than sales of tangible personal property, are attributed to Maine if: (1) the income-producing activity is performed in this state, or (2) the income-producing activity is performed both in and outside Maine and a greater proportion of the income-producing activity is performed in this state than any other state, based on costs of performance.

**Payroll Factor (line b).** The payroll factor is a fraction, the numerator of which is the total paid in Maine during the tax period by the taxpayer for compensation, and the denominator of which is the total compensation paid everywhere during the tax period. “Compensation” means wages, salaries, commissions and any other form of remuneration to employees for personal services, including deferred compensation. Compensation is paid in Maine if: (1) the individual’s service is performed entirely within this state, or (2) the individual’s service is performed both within and outside Maine, but the service performed outside the state is incidental to the individual’s service within Maine, or (3) some of the service is performed in the state and the base of operations (or, if there is no base of operations, the place from where the service is directed or controlled) is in a state in which no service is performed, and the individual’s residence is in Maine.

**Property Factor (line c).** The property factor is a fraction, the numerator of which is the average value of the taxpayer’s real and tangible personal property (including inventory) owned or rented and used in Maine during the tax period and the denominator of which is the average value of all the taxpayer’s real and tangible personal property (including inventory) owned or rented and used during the tax period.

Property owned by the taxpayer is valued at original cost. The value of rental property for purposes of apportioning income to Maine is eight times the annual rental rate paid by the taxpayer. 36 M.R.S.A. § 5211(10). The average value of the property is determined by averaging the values at the beginning and ending of the tax period, but the State Tax Assessor may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer’s property.

**LINE 4e. Entity Income.** Partnerships enter on this line the amount from federal Form 1065, Analysis of Net Income, line 1. S corporations enter on this line the amount from federal Form 1120S, Schedule K, line 23.

All Maine income modifications under 36 M.R.S.A. § 5122 and 5200-A, including bonus depreciation and section 179 expensing add-backs, are made at the taxpayer level. **Do not adjust line 4e for Maine income modifications.** The entity is required to advise each shareholder/partner of any income modifications related to entity income that apply.

Visit our web site at [www.maine.gov/revenue](http://www.maine.gov/revenue) or call 207-624-7894 if you need additional copies of this form or the Schedule of Partners/Shareholders Income. If you have any questions, you may send an email to the Corporate Income Tax unit at [partner-scorp.tax@maine.gov](mailto:partner-scorp.tax@maine.gov) or call 207-626-8475 weekdays 8:00 a.m. - 5:00 p.m., except holidays.